

Minutes of the Finance Committee

Wednesday, June 20, 2012

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl, Richard Morris, Dan Draeger, Cathleen Slattery, Bill Zaborowski, Larry Nelson, and Pamela Meyer.

Also Present: Chief of Staff Mark Mader, UW Cooperative Extension Director Jerry Braatz, Senior Financial Analysts Bill Duckwitz and Clara Daniels, Employee Benefits Administrator Pete Hans, Journal/Sentinel Reporter Laurel Walker, Administration Director Norm Cummings, Budget Manager Keith Swartz, Business Manager Betsy Forrest, Wisconsin Coachlines Vice President Tom Dieckelman, Waukesha Metro Director of Administration Kari Bloedow, and Waukesha Metro Marketing Director Brian Engelking. Recorded by Mary Pedersen, County Board Office.

Ordinance 167-O-017: Authorize Waukesha County University Of Wisconsin Cooperative Extension Office To Accept And Appropriate The Greater Milwaukee Foundation Grant For Healthy Westside Neighborhood Initiative

For the purpose of educating new supervisors, Braatz indicated the UW Cooperative Extension Office is unique and that their funding comes from the County, State, and Federal levels. All 72 counties in the state have a UW Cooperative Extension Office – a State/County partnership. There are five program areas: Community Development, 4-H and Youth Development, Family Living Education, Nutrition Education, and Horticulture and Agriculture. They are a division of the University of Wisconsin and have access to State specialists and professors on campuses throughout the state.

Braatz explained this ordinance as outlined which authorizes the office to accept a \$15,000 grant from the Greater Milwaukee Foundation. The funds will be used to help further the development of the leadership programs in the West Side Neighborhood Revitalization Strategy Area within the City of Waukesha. The funds will be allocated as follows: \$12,500 for state contracted educator support; \$530 for office supplies, printing, and mileage reimbursement; and \$1,970 for estimated County indirect costs such as technology costs, etc.

MOTION: Zaborowski moved, second by Meyer to approve Ordinance 167-O-017. Motion carried 7-0.

Ordinance 167-O-016: Authorize Waukesha County University Of Wisconsin Cooperative Extension Office To Accept And Appropriate Donation Funding From Town Bank For The Business Retention And Expansion Program

Braatz discussed this ordinance as outlined which allows the office to accept donation funding totaling \$7,500 from Town Bank. This is for the HUD Neighborhood Revitalization Area Strategy Plan. The funds will help further the development of the economic development strategy that focuses on the retention and expansion of existing businesses within the City of Waukesha. The funds will be allocated as follows: \$5,500 for state contracted educator support; \$1,020 for

supplies, printing, professional development and mileage reimbursement; and \$980 for estimated County indirects such as technology costs, etc.

MOTION: Morris moved, second by Slattery to approve Ordinance 167-O-016. Motion carried 7-0.

Ordinance 167-O-018: Authorize Waukesha County University Of Wisconsin Cooperative Extension Office To Accept And Appropriate The Drug Free Communities (Year 3 Carryover) Grant From The U.S. Department Of Health & Human Services Substance Abuse And Mental Health Administration Drug Free Communities Support Program

Braatz reviewed this ordinance as outlined. Staff are requesting to carry over unspent federal grant funds totaling \$16,956 as approved by the federal government. Duckwitz indicated these are reimbursement funds. Braatz said the funds will be used for a project aimed at building a countywide coalition that addresses underage alcohol and drug use and its impact on families, the criminal justice system, and intervention services. The funds will be allocated as follows: \$8,000 to pay for the development and screening of brief video clips at local movie theaters discouraging youth substance abuse; \$4,621 for program supplies and materials related to the Positive Community Norms Campaign and other media efforts; and \$2,000 for training and website domain costs. Countywide indirect cost recovery was already claimed on these grant funds during 2011.

MOTION: Nelson moved, second by Meyer to approve Ordinance 167-O-018. Motion carried 7-0.

Announcements

Zaborowski found it interesting that managed care organizations do not need to abide by the same federal nutrition standards as the County's meals programs such as Meals on Wheels.

Approve Minutes of 6-6-12

MOTION: Morris moved, second by Zaborowski to approve the minutes of June 6. Motion carried 7-0.

Schedule Next Meeting Dates

- July 11 and 18

Chair's Executive Committee Report 6-18-12

Haukohl highlighted the following items discussed at the last Executive Committee meeting.

- Approved the three UW Cooperative Extension ordinances (above) and heard a report on their programs including those aimed at unemployment issues in the county.
- Approved several appointments.
- Heard a report on the Revolving Loan Program administered by the Waukesha County Economic Development Corporation and the Revolving Loan Program through HUD administered by the Community Development Block Grant Program.
- Held a preliminary discussion on developing a job description for the County Board Chair.

Contract Procurement Process for Group Dental Insurance Plan and Dental HMO

For educational purposes, Hans explained the two dental plans offered to employees by the County. Hans indicated the contract for administrative services/third party administrator (ASO/TPA) was

awarded to Delta Dental and the contract for the dental HMO was awarded to Anthem, the highest rated proposers in each category. For 2012, \$38,000 was budgeted for ASO/TPA services for the County's self-insured Guardian Plan. The County's fully insured dental plan (DentaCare) is not budgeted in the Health & Dental Insurance Internal Service Fund, which for consistency purposes, only budgets for the County's self-insured plans (e.g., Guardian). DentaCare costs are budgeted at lowest cost plan in departmental budgets and accounted for in General Fund balance sheet accounts. The total contract cost for Delta Dental is \$4,199,469 (includes \$119,582 for administrative fees; first year administrative fee is \$29,896). The total contract cost for Anthem is \$3,046,366 for four years (first year cost is \$676,052). Six vendors submitted proposals for ASO/TPA and two vendors submitted proposals for the dental HMO.

MOTION: Zaborowski moved, second by Draeger to approve the contract procurement process for the group dental insurance plan and dental HMO. Motion carried 7-0.

Budget Assumptions

Swartz and Cummings were present to discuss this item. Printouts of the PowerPoint presentation from the 2013 budget kickoff meeting were distributed which included information on external and internal budget environments, intergovernmental revenues, and levy targets for the various County departments which Cummings discussed in detail.

Cummings indicated that developing the 2013 budget will be more difficult than the 2012 budget partly due to low levy limits imposed by the State (based on new construction). Total levy revenues were the lowest in 25 years which made for a very tough budget. Last year this resulted in a decrease of about \$600,000. Cummings said while they were able to make the budget work and the County is in good shape financially, the State imposed levy limits will eventually prove detrimental. Also, other revenues are suppressed which is having a big impact on the budget. The slow economic recovery continues although Waukesha County may be doing better than other parts of the country. We are expecting moderate inflation for the short-term but the suppressed economy is keeping inflation rates low. Also, we are expecting low interest rates, volatile fuel prices for the short-term, and additional federal revenue reductions are possible. He is hopeful this will be the last year of the property tax value decline. There was a 3.5% decline two years ago totaling \$1.5 billion, mostly in housing deflation. Last year there was a 1.4% decline in the tax base and this year they are estimating it will go down 0.5%; it is leveling off. Cummings estimates any federal deductions will most heavily impact human services funding. Cummings noted our self-funded health insurance plans are doing well financially and did not expect major increases next year. There was a reduction in investment income last year and he is expecting a somewhat lesser reduction next year of about \$250,000. We were able to take advantage of low interest rates by refinancing our debt service. The County took a huge hit on general State transportation aids last year and we have been using fund balance to help lessen the impact in our transportation budget. We will be using less fund balance for this purpose in the 2013 budget and will continue to do so until we are using transportation aids only. Cummings said State Shared Revenues looks stable for next year. He believes there may be yet another reduction in State Youth Aids although some of this will be offset due to eliminating the freeze on Family Care. The formula change for counties resulted in our Income Maintenance dollars to remain stable due to our large caseload. The County did suffer some hits in Child Support. It seems stable, but with the Federal cuts we do not know for sure. The Court Support Grant is already dismal but he expects it is stable.

Annual Report on Transit Routes and Contracts with the City of Waukesha

Forrest, Engelking, and Bloedow were present to discuss this item. Copies of the 2011 transit report were distributed which included information on total rides, revenue hours and miles, operating expenses and revenues, operating investment, etc. Engelking discussed statistics for 2011 routes compared to 2010. Total rides for 2011 were up 3.7% - a good statistic. Also in 2011, there was a decrease in revenue miles and hours so the total amount of service they had available was less but there was higher ridership. This results in a more efficient service. A key factor in measuring route efficiency is total rides per revenue hour which shows how many people are riding a particular bus per hour of service. The minimum threshold is ten rides (people) per revenue hour. In 2011, overall, there were 16.17 rides per hour, up almost 11% from 2010. Operating investment per ride was down 4.5%, from \$6.04 in 2010 to \$5.77 in 2011.

Route 1 Extension (Waukesha/Goerkes Corner/Bluemound Road/Brookfield Square): Ridership was down 2% and operating expenses were up 5%. However, there were less hours of service which resulted in a more efficient and productive route at 77 cents per trip.

Route 10 Extension (Brookfield Square/Glendale/Milwaukee County Medical Complex/downtown Milwaukee): Statistics indicate this route was not as efficient in 2011, primarily due to road construction. Ridership was up 6.3%, operating investment went down but rides went up. Total rides per revenue hour were 32.31 which he described as “stellar.”

Route 79 (Frequent Flyer - Menomonee Falls/Watertown Plank Park & Ride/I-45/downtown Milwaukee): The big change with this route in 2011 was adding the Watertown Plank Park & Ride stop due to Milwaukee County dropping their Freeway Flyer. Since the added stop, ridership was up 44.7%, the operating investment was down 12.2%, and the operating investment per total ride was down 39.4%.

Route 218 (New Berlin Industrial Park/Brookfield Square): This route was discontinued in November, 2010 due to low ridership, basically due to the downturn in the economy. This was the lowest performing route. It is being monitored and the route could be reinstated if there is a future need.

Route 901 Paratransit (scheduled door-to-door service; Dodge Sprinter vans with wheelchair lifts): Ridership was down 2.2%, revenue hours were down 6% and operating investment was up 6.4% bringing the total cost per ride to \$31.77. This service is federally mandated and while it is expensive, it is likely less costly than private providers.

Route 901/904/905 (freeway commuter routes; various points in Waukesha Lake Country and City of Waukesha to downtown Milwaukee and UW-Milwaukee): Rides were up 1.6%, hours and miles were down slightly, and operating investment was up 9%. Services were reduced on the 901 for budget purposes by eliminating some of the lower performing trips to UW-Milwaukee.

Route 906 (Mukwonago/downtown Milwaukee): Ridership increased 11%, rides per revenue hour increased 12% and operating costs per ride decreased 5%. This is the only commuter route that serves I-43.

MOTION: Morris moved, second by Meyer to accept the 2011 annual transit report. Motion carried 7-0.

Legislative Update

Spaeth said the 22-member State Legislative Council is a bi-partisan study group. The study committees can include legislators, experts, citizens, public workers, etc. One committee is currently discussing 911 surcharges and whether the State or the counties should receive these funds. Also being studied is current law relating to permanency for children under the age of 8 who are at risk of being placed in foster care. Another study committee is looking to develop legislation to clarify statutes on guardianship, protective placements, involuntary commitments, and involuntary treatment of adults with a psychiatric diagnosis. Spaeth said she will keep the committees up-to-date. She noted that any legislation resulting from the study committees would likely come forward in January.

Future Agenda Items

- Educational Presentation by Waukesha County Economic Development Corporation (WCEDC) Executive Director Bill Mitchell on WCEDC Programs and Activities (Haukohl)
- Later this year and presented by Cummings: Update on the County's Revolving Loan Program (Haukohl)

MOTION: Draeger moved, second by Nelson to adjourn at 11:21 a.m. Motion carried 7-0.

Respectfully submitted,

William J. Zaborowski
Secretary